

SUBCOMMITTEE 3

FINAL ACTION REPORT

LEGEND: The *Senate* column shows changes to the Governor's January budget proposal, as adopted by the Senate in May. The **AB 425** column indicates whether the Senate action was sustained (Adopted) or an alternative action was taken when the Senate passed the budget on June 29th and August 31st.

Senate Budget and Fiscal Review

Members

Wesley Chesbro, Chair
Deborah Ortiz
Ray Haynes

Consultants

C. Catherine Camp
Diane Van Maren
John Decker

Senate

AB 425

0530 HEALTH AND HUMAN SERVICES AGENCY

- | | | |
|--|----------|----------|
| 1. Adopted General Fund reduction as proposed by the Administration in the May Revision. | -185,000 | Adopted |
| 2. Conference Committee reduced by \$100,000 as recommended by the Department of Finance because a legislatively required report regarding the future of the state's Developmental Centers was over a year late. | | -100,000 |
| 3. Reduced by \$180,000 as proposed in the Governor's January budget. | -180,000 | Adopted |

Trailer Bill Language (as contained in AB 442)

- | | | |
|--|---------|---------|
| 1. Requires CHHS Agency to prepare a comprehensive Olmstead (Olmstead v L.C., 527 U.S. 581 (1999)) long-term care plan and provide it to the Legislature by April 1, 2003. | Adopted | Adopted |
|--|---------|---------|

0553 OFFICE OF THE INSPECTOR GENERAL FOR VETERANS AFFAIRS

1. Approved as budgeted.

0559 LABOR AND WORKFORCE DEVELOPMENT AGENCY

- | | | |
|--|-----------|---------|
| 1. Authorized the budget, effective January 1, 2003, contingent on enactment of legislation. | 1,488,000 | Adopted |
|--|-----------|---------|

2400 DEPARTMENT OF MANAGED CARE

- | | | |
|--|---------|---------|
| 1. Approved as requested the \$850,000 (Managed Care Fund) to convert 14 limited-term positions to permanent and maintain existing staffing capacity for the HMO Call Center. | 850,000 | Adopted |
| 2. Increased by \$500,000 (Managed Care Fund) to fully integrate medical group reporting, improve the reporting of quality indicators, add data on complaints and other adjustments for the HMO Quality Report Card. | 500,000 | Adopted |
| 3. Adopted as requested an increase of \$447,000 (Managed Care Fund) to convert 7 limited-term positions to permanent in the Office of Enforcement. | 447,000 | Adopted |
| 4. Approved as requested the \$210,000 (Managed Care Fund) to convert 3 limited-term positions to permanent to support the Financial Solvency Standards Board | 210,000 | Adopted |

	Senate	AB 425
functions.		
5. Provided an ongoing appropriation of \$500,000 (Managed Care Fund) to further develop and implement the Report Card on health maintenance organizations.	500,000	Adopted
6. Augmented by \$234,000 (Managed Care Fund) to hire four additional financial examiners to conduct increased financial examinations of specialized plans, as requested by the DMHC.	234,000	Adopted

Key Trailer Bill Language (as contained in AB 442)

1. Clarifies, as proposed, when plans are to be notified each year as to what their special assessment will be for the forthcoming year.	Adopted	Adopted
--	---------	---------

4100 STATE COUNCIL ON DEVELOPMENTAL DISABILITIES

1. Approved as budgeted.

4110 ORGANIZATION OF AREA BOARDS

1. Approved as budgeted.

4120 EMERGENCY MEDICAL SERVICES AUTHORITY

1. Increased by \$25 million to provide funds to certain Trauma Care Centers as described in AB 442, the omnibus health trailer legislation. This augmentation continues the same funding level as provided last year for this purpose.	25,000,000	
2. Adopted as proposed the Hospital Bioterrorism Preparedness Program to expend \$972,000 in federal grant funds across two state fiscal years, made available from the Health Resources and Services Administration (HRSA). Of this amount, \$597,000 (federal funds) was appropriated in the Budget Act.	597,000	Adopted
3. Reduced General Fund support by 10 percent in certain programs, including a reduction of \$400,000 for the poison control center, \$321,000 for local assistance and \$153,000 for state support.	-874,000	Adopted
4. Reduced and shifted funds as proposed by the EMSA, including deleting \$248,000 (General Fund) from	-248,000	Adopted

	Senate	AB 425
support and increasing special funds by \$148,000 to serve as a partial off-set.		
5. Provided \$171,000 (federal reimbursements) as requested to continue the statewide emergency medical services evaluation and planning project.	171,000	Adopted
6. Shifted \$80,000 in local assistance funds to state support to provide funding for a statewide coordinator for childrens emergency medical services.		80,000
7. Increased by \$206,000 (federal reimbursements) to continue work on the California Emergency Medical Services Information System (CEMIS).	206,000	Adopted

4130 HEALTH AND HUMAN SERVICES DATA CENTER

1. Reduced spending authority to reflect actual prior year expenditures.	-2,809,000	Adopted
2. Reduced spending authority for Welfare Data Tracking Implementation project to reflect actual needs.	-4,778,000	Adopted
3. Reduced spending authority for CMIPS repurchase to remove duplicate funding.	-376,000	Adopted
4. Reduced spending authority for the ISAWS consortium, to reflect maintenance and operations savings.	-1,402,000	Adopted
5. Reduced consultant spending authority for the Statewide Fingerprint Imaging System.	-570,000	Adopted
6. Reduced consultant spending authority for the SAWS Statewide Project Management.	-807,000	Adopted

Budget Bill Language

1. Permits the transfer of resources in the ISAWS consortium from operational funds to those necessary to plan for the migration of participant counties or other SAWS consortia.	Adopted	Adopted
---	---------	---------

Trailer Bill Language

1. Requires development of a plan for the migration of the ISAWS consortium counties to other SAWS consortia, by March 15, 2003.	Adopted	Adopted
--	---------	---------

Senate

AB 425

Supplemental Report Language

- | | | |
|---|---------|---------|
| 1. Requires a report by April 1, 2003, of a rate study that evaluates current operations and processes. | Adopted | Adopted |
|---|---------|---------|

4140 OFFICE OF STATEWIDE HEALTH PLANNING AND DEVELOPMENT

- | | | |
|---|-----------|---------|
| 1. Increased funding for financial assistance and education support for nursing workforce development, all Special Funds. | 1,123,000 | Adopted |
| 2. Reversed the transfer proposed in January from the Registered Nurse Education Fund to the General Fund. | 800,000 | Adopted |
| 3. Reduced the Song-Brown Family Physician Training program, resulting in the reduction of 9 training slots. | -500,000 | Adopted |

Budget Bill Language

- | | | |
|---|---------|---------|
| 1. Authorizes the expenditure of funds by a non-profit fund-raising organization identifying resources for the Specialty Care Fund. | Adopted | Adopted |
|---|---------|---------|

Trailer Bill Language

- | | | |
|--|---------|---------|
| 1. Adds reporting requirements to hospital requests for an extension of seismic requirements, and public access to records of such requests. | Adopted | Adopted |
|--|---------|---------|

Supplemental Report Language

- | | | |
|---|---------|---------|
| 1. Requires a report as part of the Rural Health Policy Council's annual report on the financial health and programmatic stability of rural hospitals and health systems. | Adopted | Adopted |
|---|---------|---------|

4170 DEPARTMENT OF AGING

- | | | |
|--|-----------|----------|
| 1. Adopted increased state operations requirement for new federal Older Americans Act funding, all federal funds. | 445,000 | Adopted |
| 2. Reduced funding for the Senior Wellness (StayWell) media campaign by \$250,000; used \$126,000 of this amount to restore the January reduction to the Linkages Case Management program. | | -124,000 |
| 3. Eliminated the transfer of funds proposed in January from the HICAP fund to the GF. | 1,709,000 | Adopted |

	Senate	AB 425
4. Eliminated funding for HIPAA in the department, and moved funding to a single Budget Item 9909, in the amount of \$200,000 (\$130,000 GF).	-200,000	Adopted
5. Augmented local funding for Nutrition, Supportive Services and Centers and Special Projects with new federal Older Americans Act funding, all federal funds.	8,113,000	Adopted
6. Increased the state-funded stipend for Foster Grandparents and Senior Companion to meet federal requirements by \$83,000 (\$21,000 GF).	83,000	Adopted

Supplemental Report Language

1. Requires the Department to provide a summary of local planning processes used by Area Agencies, for budget subcommittees by March 1, 2003.	Adopted	Adopted
---	---------	---------

4180 COMMISSION ON AGING

1. Approved as budgeted.

4200 DEPARTMENT OF ALCOHOL AND DRUG PROGRAMS

1. Increased funding to reflect an increase in the federal Substance Abuse Prevention and Treatment Block Grant, including both state operations and local assistance, all federal funds.	20,176,000	Adopted
2. Restored \$850,000 for statewide technical assistance contracts, replacing General Fund with federal Substance Abuse Prevention and Treatment Grants.		
3. Restored \$1,500,000 for perinatal treatment programs, replacing General Fund with federal Substance Abuse Prevention and Treatment grants.		
4. Restored funding for the Drug Court Partnership program, restructured to serve felons for maximum state prison savings. These funds are offset by savings in the Department of Corrections budget associated with program success.	8,000,000	4,878,000
5. Redirected correctional drug treatment expenditures in the Department of Corrections to the Department of Alcohol and Drug programs budget, for display purposes only, in order to resolve a federal maintenance-of-effort issue (no changes to the programs in the Department of Corrections).		8,900,000
6. Increased Drug Medi-Cal to reflect cost and caseload	3,650,000	Adopted

	Senate	AB 425
changes, by \$3,650,000 (\$1,811,000 General Fund)		
7. Reduced HIPAA funding by \$4,079,000 (\$2,039,000 General Fund), as part of a larger HIPAA action to reduce and focus the effort.	-4,079,000	Adopted

Budget Bill Language

1. Requires that the reduction to perinatal treatment programs be taken proportionately between program types.	Adopted	Adopted
2. Reinstates categorical designation of funds for the Women's and Children's Residential Treatment Services, adjusted for any reduction.	Adopted	Adopted
3. Requires the department to develop a plan for identifying target program areas or populations where drug treatment expenditures can be most effectively expended.	Adopted	Adopted

Trailer Bill Language

1. Adopts technical language to streamline the rate setting for Drug Medi-Cal.	Adopted	Adopted
2. Directs the department to apply for federal funding to support community coalitions for prevention.	Adopted	Adopted
3. Reformulates the Drug Court Partnership Program to focus exclusively on felons and to evaluate the restructure to assure that Department of Corrections savings are sustained.	Adopted	Adopted
4. Requires an independent evaluation of the Substance Abuse Recovery Management System program, that provides treatment to parents of children adjudged dependents of the court in San Diego, and provide a report to budget hearings in 2003 on the status of the evaluation.	Adopted	Adopted

Supplemental Report Language

1. States legislative intent that the LAO prepare a report on the Drug Medi-Cal program, including barriers to provider participation and beneficiary access.	Adopted	Adopted
---	---------	---------

Senate

AB 425

4250 CALIFORNIA CHILDREN AND FAMILIES COMMISSION

1. Approved as budgeted.

4260 DEPARTMENT OF HEALTH SERVICES**Medi-Cal, and Healthy Families -- (Local Assistance & State Support)**

- | | | |
|--|-------------|---------|
| 1. Denied the Administration's proposal to eliminate eligibility for very low-income, two-parent families who have moved off of public cash assistance (i.e., 1931 b category). As such, an adjustment of \$184.2 million (\$92.1 million General Fund) is required. | 184,200,000 | Adopted |
| 2. Denied the Administration's proposal to reduce enrollment in Medi-Cal by rescinding the elimination of requiring "quarterly status" reporting which had been adopted by the Governor in the Budget Act of 2000. As such, an adjustment of \$310.8 million (\$155.4 million General Fund) is required. | 310,800,000 | Adopted |
| 3. Rejected the proposal to eliminate certain Medi-Cal Optional benefits, including adult dental services, medical supplies, acupuncture, podiatry, chiropractic, occupational therapy, psychology, and independent rehabilitation centers. As such, an adjustment of \$526 million (\$263 million General Fund) is required. | 526,000,000 | Adopted |
| 4. Adopted a LAO recommendation to adjust the Administration's caseload estimate downward by 37,000 eligibles for savings of \$46.6 million (\$23.3 million General Fund). | -23,300,000 | Adopted |
| 5. Rebuffed the Administration's proposal to reduce by 20% state support for mandated county administration of the Medi-Cal Program, including eligibility processing, outreach, disenrollment processing and related functions. As such, an adjustment of \$175.9 million (\$87.9 million General Fund) is required. | 175,900,000 | Adopted |
| 6. Adopted the Administration's proposal to not provide cost-of-doing-business adjustments for Medi-Cal county administration process for both the current year (\$107 million total funds) and budget year (\$19.1 million total funds) for a combined reduction of \$126.1 million (\$63.5 million General Fund) across the two-years. | -19,100,000 | Adopted |

	Senate	AB 425
7. The Senate initially (1) adopted the Administration's proposal in January to rollback a portion of the provider rate increase adopted in the Budget Act of 2000 for savings of \$155.1 million (\$77.5 million General Fund), and (2) adopted the May Revision proposal to rescind the remaining rate adjustment amount due to the severe fiscal situation for additional savings of about \$110.7 million (\$55.4 million General Fund).	-265,800,000	-120,900,000
<p>The Conference Committee provided a backfill of \$34.2 million (\$17.1 million General Fund) to restore the rate adjustment for home health agencies, family planning services, non-emergency medical transportation, and the California Children's Services (CCS) Program. In addition, the Senate provided an additional adjustment of \$110.7 (\$55.4 million General Fund) to the Conference Committee action by also restoring the May Revision reduction. Therefore, AB 425 provides funding to restore rates for the four health service areas as noted above, and a portion of the rate reduction amount (i.e., the May Revision amount) as originally proposed by the Governor. The amount shown for AB 425 is the net amount (i.e., January reduction plus the offset of the aforementioned adjustments).</p>		
8. Denied the Administration's proposal to further reduce Medi-Cal provider rates by increasing copayments and reducing that amount automatically off the reimbursement rate paid to the providers. As such an adjustment of \$61.2 million (\$30.6 million General Fund) is required.	61,200,000	Adopted
9. The Senate adopted the Administration's proposal in January to increase the fee paid by Disproportionate Share Hospitals (DSH) by \$55.2 million, and also adopted the May Revision proposal to obtain an additional \$31 million for a total increase in the DSH fee of \$86.1 million. The Conference Committee decided to only adopt the January adjustment. This adjustment coupled with the existing DSH fee amount of \$29.8 million brings the total DSH fee payment to \$85 million. This amount is reflected in AB 442, the omnibus health trailer bill.	-86,200,000	-55,200,000
10. Approved the out patient hospital increase in rates as required by the Orthopaedic Hospital Settlement, and related litigation, for increased expenditures of \$183.1 million (\$91.5 million General Fund).	183,100,000	Adopted
11. Adopted numerous adjustments generally as proposed by the Administration pertaining to Medi-Cal drugs, pharmacy, medical supplies and related items for savings of about \$375 million (\$187.7 million General	-375,400,000	Adopted

Fund). The adjustments include the following:

- Require AIDS & Cancer drug manufacturers to provide supplemental rebates as specified in statute. (\$14 million)
- Require the DHS to analyze and follow-up on aged drug rebate disputes. (\$13.6 million)
- Agreed to implement Generic Drug contracting. (\$53.4 million)
- Have the DHS conduct a therapeutic category review of atypical antipsychotics. (\$29.6 million)
- Have the DHS implement enteral nutrition product contracting. (\$18.2 million)
- Make enteral nutrition product rate reductions. (\$21.2 million)
- Proceed with Medical Supply product contracting. (\$18 million)
- Conduct a therapeutic category review of nonsteroidal medications. (\$16.8 million)
- Have the DHS increase the duration of therapy review audits. (\$10 million)
- Have the DHS increased the frequency of billing audits. (\$6 million)
- Create a List of Preferred Prior Authorized Drugs. (\$10 million)
- Provide the DHS with statutory authority to conduct aggressive contracting for drug rebates. (\$20 million)
- Agreed to statutory language to protect state drug rebates from being reduced under specified circumstances. (\$14 million)
- Agreed to a modified pharmacy drug cost reimbursement to be average wholesale price (AWP) minus 10% for both brand name drugs and generic drugs. (\$20 million)
- Adopted a new methodology for establishing Maximum Allowable Ingredient Costs (MAIC) on Generic Drugs (pertains to pharmacy reimbursement). (\$10 million)
- Reduced pharmacy reimbursement by rescinding the two reimbursement adjustments as contained in Chapter 190 (SB 651, Burton), Statutes of 1999, but exempt long-term care pharmacies from this reduction. (\$21.4 million)
- Changed the payment method for over-the-counter medications from drug ingredient cost plus 50% to drug ingredient cost plus a professional fee. (pertains to pharmacy reimbursement) (\$42 million)
- Changed the methodology for establishing the Maximum Allowable Product Cost (MAPC) for Medical Supplies by allowing the DHS to use a new cost factor called "wholesale selling price" and by also looking at product functionality. (\$6 million)
- Agreed to remove Medical Supplies from state regulations and instead, create a List of Contract Medical Supplies. (\$4 million)
- Agreed to implement competitive contracting for durable medical equipment and laboratory services by January 1, 2003. (\$13.2 million)
- Agreed to change incontinence supplies reimbursement by reimbursing it at acquisition cost plus 38 percent (versus 40 percent), and reimbursing all other medical supplies, excluding diabetic testing items, at cost plus 23 percent. For diabetic testing supplies, the dispensing of these products will be restricted to pharmacy providers and they will be reimbursed at cost plus a dispensing fee of \$4.05. In addition, lower quantity limits were set on incontinence creams and washes. (\$14

	Senate	AB 425
million)		
12. Approved the Administration's proposal to defer implementation of Express Lane Eligibility (i.e., AB 59 and SB 493) for savings of \$51.6 million (\$25.8 million General Fund), but deferred implementation only for one-year, not three years as requested.	-51,600,000	Adopted
13. Deleted funds for the coordination of Medi-Cal application tracking between Healthy Families and Medi-Cal for savings of \$8 million (\$4 million General Fund).		-8,000,000
14. The Senate adopted the May Revision proposal to rescind action taken in the Budget Act of 2000 to provide payment for up to two dental office visits a year and two cleanings a year for savings of \$15.8 million (\$7.9 million General Fund). Conference Committee modified this action by providing funding for children to continue to receive these services.	-15,800,000	-7,900,000
15. Assumed the May Revision proposal to expand Medical Case Management, but adopted an expedited implementation date of January 1, 2003 in lieu of April 1, for total savings of \$18 million (\$9 million General Fund).	-18,000,000	Adopted
16. The Senate agreed to the May Revision expansion of Medi-Cal anti-fraud efforts for savings of \$60 million (\$30 million General Fund). Conference Committee recognized cost avoidance savings as well for additional savings of \$200 million (\$100 million General Fund).	-60,000,000	-260,000,000
17. Approved the Healthy Families/Medi-Cal outreach reduction of \$18.6 million (\$7.2 million General Fund) for total expenditures for outreach of only \$10.3 million (total funds).	-18,600,000	Adopted
18. Approved the standard rate adjustment for reimbursement rates paid to long-term care facilities by increasing by \$18.2 million (\$9.1 million General Fund).	18,200,000	Adopted
19. Provided for the rate increase for Santa Barbara Health Authority as contained in the May Revision for total expenditures of \$8.9 million (\$4.5 million General Fund).	8,900,000	Adopted
20. Recognized the need to expand the Program for All-Inclusive Care (PACE) in order to maintain elderly individuals in community-based settings and to expand options for addressing the Olmstead v L.C. (119 S. Ct. 2176 of 1999) litigation for savings of \$2.2 million (\$1.1 million General Fund).	-2,200,000	Adopted
21. The Senate rejected the Administration's request to provide additional funds for outside counsel regarding Olmstead-related litigation (i.e., Davis v Grantland Johnson, and Sanchez v Grantland Johnson) for savings	-3,000,000	Adopted

	Senate	AB 425
of \$3 million (General Fund). The Conference Committee restored this funding request.		
22. Deleted 7 positions from a requested 49 new positions to implement various aspects of AB 1075, Statutes of 2001 pertaining to rate development and other factors relating to nursing homes. This resulted in savings of \$1 million (\$520,000 General Fund).	-1,000,000	Adopted
23. Approved 91 positions as requested to expand medical case management for expenditures of \$3 million (\$1.5 million General Fund).	3,010,000	Adopted
24. Provided 5 positions as requested to contract for durable medical equipment and laboratory services for expenditures of \$354,000 (\$177,000 General Fund).	354,000	Adopted
25. Provided \$300,000 (\$150,000) to San Diego Children's Hospital for their pediatric long-term care unit.		300,000
26. Approved funding for 40 positions to conduct more Medi-Cal Program anti-fraud activities for expenditures of \$2 million (\$1 million General Fund).	2,000,000	Adopted

Budget Bill Language

1. Adopts Budget Bill Language to require the DHS to release a report regarding pharmacy reimbursement by August 15, 2002.		Adopted
2. Adopts Budget Bill Language regarding the PACE Program.	Adopted	Adopted
3. Adjusts fees paid by hospitals and long-term care facilities as directed by the Administration.	Adopted	Adopted

Key Trailer Bill Language (as contained in AB 442)

1. Adjusts the Disproportionate Share Hospital "fee" to reflect a higher fee level.	Adopted	Adopted
2. Adopts language on the drug reimbursement proposals, medical contracting, enteral nutrition contracts, and pharmacy reimbursement.	Adopted	Adopted
3. Eliminates the Medi-Cal Assets test.	Adopted	Deleted
4. Agrees with the Administration to restrict formal appeal hearings for Medi-Cal to Sacramento or by telephone only.	Adopted	Adopted
5. Adopts language for adjusting Medi-Cal rates. (Also reference AB 3006).	Adopted	Adopted
6. Approves language regarding other departments to have an interagency agreement with the DHS in order to	Adopted	Adopted

	Senate	AB 425
obtain certain Medi-Cal reimbursement payments for services rendered (such as ICF/DD).		
7. Extends the Graduate Medical Education Program sunset date by two-years.	Adopted	Adopted
8. Eliminates the sunset date for the prescription drug discount program for Medicare recipients.	Adopted	Adopted
9. Eliminates the sunset date for Medi-Cal Personal Care Services program.	Adopted	Adopted
10. Adopts language regarding Express Lane Eligibility, including a one-year deferral date.	Adopted	Adopted
11. Eliminates the sunset date to extend Medi-Cal coverage children who receive adoption assistance program services from another state.	Adopted	Adopted
12. Adopts language to modify dental exams and dental cleanings for adults to one a year (versus two now).	Adopted	Adopted
13. Approves language to enable the DHS to contract with the Fiscal Intermediary for certain staff in order to do conduct prior treatment authorization processing.	Adopted	Adopted
14. Adopts language to enable the DHS to contract out with a third-party regarding certain Ombudsman Office services.	Adopted	Adopted
15. Provides for continuation of a rate increase for emergency medical physicians providing services under the California Healthcare for Indigent Persons Program.	Adopted	Adopted
16. Provides the DHS with statutory authority to contract with specified laboratories to perform clinical laboratory services under the Medi-Cal Program.	Adopted	Adopted
17. Makes a technical clarifying amendment that within 30 days of enactment of an appropriation, the state EMS Authority must obtain information from certain trauma centers in order to allocate appropriated funds.	Adopted	Adopted
18. Crafts language that requires the DHS to notify the Legislature and counties within 60 days of passage of the annual Budget Act if the funds appropriated for Medi-Cal county administration are to be withheld in any manner.	Adopted	Adopted
19. Modifies existing statute for the Assisted Living Pilot Program to make it easier to implement.	Adopted	Adopted
20. Extends the sunset date for the pilot projects regarding Intermediate Care Facilities/Developmental Disabilities facilities.	Adopted	Adopted

Senate

AB 425

4260 DEPARTMENT OF HEALTH SERVICES**Primary Care and Public Health Programs -- (Local Assistance & State Support)**

1. Restored the Child Health Disability Prevention (CHDP) Program as proposed in the Governor's May Revision.	48,207,000	Adopted
2. Adopted various adjustments to implement the CHDP "Gateway" proposal, as recommended by the Administration. (Also see MRMIB, below)	3,900,000	Adopted
3. Provided that CHDP program would provide additional health screens based on an updated periodicity schedule which is used in managed health care settings, for total expenditures of \$4 million (\$2 million General Fund).	2,000,000	Adopted
4. Adopted the Public Health Preparedness and Response proposal to expend federal CDC bioterrorism funds, as well as HRSA federal funds. The proposals corresponded with the Administration's grant applications that were submitted to federal government.	Adopted	Adopted
5. Eliminated the budget year increase for the Expanded Access to Primary Care (EAPC) Clinics as proposed in the May Revision since these funds were intended to provide assistance if the CHDP Program was eliminated. The CHDP elimination was rescinded by the Governor in his May Revision.	-17,500,000	Adopted
6. Reduced the General Fund support provided to the Cancer Research Program by half as proposed by the Administration. This proposal assumes that \$12.5 million will be matched by private donations for total program expenditures of \$25 million.	-12,500,000	Adopted
7. Deferred for one year the state's General Fund support of the County Medical Services Program (CMSP).	-20,300,000	Adopted
8. The Senate denied the Administration's proposal to require the County Medical Services Program (CMSP) pay the DHS for administrative support. The Conference Committee adopted a modified version of the Administration's proposal to require the counties to provide \$3.5 million in reimbursement to the state, and therefore, backfill for General Fund support.	4,193,000	-3,500,000
9. Eliminated as proposed by the Administration funding for the Youth Anti-Tobacco Program.	-35,000,000	Adopted
10. Adopted as proposed by the Administration, all funding adjustments to Proposition 99 funded programs.	Adopted	Adopted
11. Made adjustments to the Maternal and Child Health Program (MCH) in order to identify \$962,000 (federal Title V MCH funds) to redirect to the Birth Defects Monitoring Program to partially backfill for the \$1.5 million in General Fund support reduced from program.	Adopted	Adopted

	Senate	AB 425
12. Conformed with the Administration's proposal to use \$4 million in unexpended prior year MCH funds to backfill for one-time only General Fund support (an off-set).	-4,000,000	Adopted
13. Provided for standard caseload adjustments for the California Children's Services Program.	4,364,000	Adopted
14. Reduced HIPAA to reflect an LAO recommendation.	-4,170,000	Adopted
15. Rejected the DHS request for information technology management personnel.	-790,000	Adopted
16. Provided total funds of \$190.5 million for the AIDS Drug Assistance Program (ADAP) which reflects caseload and funding adjustments, including the receipt of increased federal funds and additional drug rebates. As such, General Fund support for the program was reduced (fund shift only).	-10,900,000	Adopted
17. Provided for caseload and cost increases for the Genetically Handicapped Persons Program (GHPP).	6,014,000	Adopted
18. Reduced the GHPP due to the collection of rebates on blood factor products and the implementation of program efficiencies.	-6,400,000	Adopted
19. Approved the Administration's proposal to increase expenditures by \$7.2 million (Childhood Lead Poisoning Prevention Fund) to mitigate childhood lead poisoning.	7,200,000	Adopted
20. Funded increased costs of providing adult influenza vaccine.	2,600,000	Adopted
21. Reduce local mandate funding as directed by the Administration.	-7,724,000	Adopted
22. Eliminated the funds to conduct a study of capital outlay needs at the Southern California Laboratory.	-150,000	Adopted

Budget Bill Language

1. Adopts language to require the DHS to provide the Budget Conference Committee with a remediation plan regarding the Genetic Disease Program since there is an \$8 million deficiency in the New Born Screening Program. This is "placeholder" language until a plan is provided.	Adopted	Adopted
---	---------	---------

Key Trailer Bill Language (as contained in AB 442)

1. Extends the CMSP for five years and made the fund continuously appropriated.	Adopted	Adopted
2. Defers for one more year, the \$20.3 million in state General Fund support for the CMSP Program.	Adopted	Adopted
3. Approves trailer bill language to implement the CHDP	Adopted	Adopted

	Senate	AB 425
“Gateway”.		
4. Adopts trailer bill language for public health preparedness related to the federal funding.	Adopted	Adopted
5. Adopts language to require the DHS to have certain aspects of the CCS information system (CMS/Net) completed by August 2004.	Adopted	Adopted
6. Crafts language that establishes a special fund for private donations for toxic mold remediation.	Adopted	Adopted
7. Requires that up to \$200,000 (California Health Data and Planning Fund) can be transferred from the Office of Statewide Health Planning and Development’s Hospital Data Fund to the Department of Health Services to fund specified data functions performed by hospitals regarding the collection of perinatal information.	Adopted	Adopted
8. Caps the amount which can be paid for indirect overhead costs in the Cancer Research Program to 25 percent.	Adopted	Adopted
9. Provides for the DHS to collect a permissive state rebate under the GHPP, primarily for blood factor product, from pharmaceutical manufacturers.	Adopted	Adopted
10. Extends the sunset date for the advisory council on domestic violence from January 1, 2003 to January 1, 2006.	Adopted	Adopted
11. Modifies existing state law to require hospitals to collect fees associated with any tests conducted under the state’s Newborn Screening Program.	Adopted	Adopted
12. Provides for multi-year contracting in the Cancer Research Program.	Adopted	Adopted

4270 CALIFORNIA MEDICAL ASSISTANCE COMMISSION

1. Approved as budgeted.

4280 MANAGED RISK MEDICAL INSURANCE BOARD

Healthy Families Program (HFP) -- (Local Assistance & State Support)

- | | |
|---|-------------|
| 1. Conference Committee provided funds of \$136.8 million (\$50 million General Fund) to commence enrollment of parents in the Healthy Families Program (HFP) as of October 1, 2002. It should be noted that existing state statute provides authority for implementation, once an appropriation has been authorized through the annual | 136,828,000 |
|---|-------------|

Senate

AB 425

Budget Act. The Administration had proposed deferral of implementation until July 1, 2003.

- | | | | |
|----|---|------------|---------|
| 2. | Conference Committee provided funds of almost \$4.1 million (\$2.4 million General Fund) to provide a 60-day "bridge" between the HFP and Medi-Cal, when applicable, for parents (as is done for children, when applicable) who transfer between programs contingent upon their eligibility status for each program. This will become effective once the parental expansion is fully implemented. | 4,088,000 | |
| 3. | Provided funds of \$4.6 million (\$1 million General Fund and \$683,000 Tobacco Settlement Funds) to partially restore the vital Rural Demonstration Projects which provide valuable assistance in the delivery of health care and dental services offered under the HFP. | 4,614,000 | Adopted |
| 4. | Adopted HFP children's program caseload and cost adjustments, including a rate increase for participating plans, as requested in the May Revision for expenditures of over \$48.9 million (\$20 million General Fund). | 48,970,000 | Adopted |

Trailer Bill Language

- | | | | |
|----|--|---------|---------|
| 1. | Implements the HFP to Medi-Cal bridge for children. | Adopted | Adopted |
| 2. | Allows for electronic funds transfer in the payment of the HFP premiums and a 25 percent discount to families who choose to do so. | Adopted | Adopted |
| 3. | Modifies the HFP family contribution sponsorship language. | Adopted | Adopted |

4300 DEPARTMENT OF DEVELOPMENTAL SERVICES

Headquarters' State Support and Developmental Centers

- | | | | |
|----|--|------------|---------|
| 1. | Approved as requested, additional resources of \$2.1 million (\$1.1 million General Fund) to support 31 positions to insure compliance with the requirements for claiming maximum federal financial participation allowed for eligible recipients under the Home and Community Based Waiver. | 2,100,000 | Adopted |
| 2. | Provided \$15.9 million (General Fund) to provide General Fund backfill for the loss of federal funds due to the lack of federal certification of the special treatment program at Porterville Developmental Center which provides services to forensic individuals with developmental disabilities. | 15,900,000 | Adopted |

	Senate	AB 425
3. Provided \$4.2 million (\$2.6 million General Fund) to fund 69 new positions at the developmental centers to provide level of care services to the residents. This staffing adjustment is based on estimated caseload and the individual needs of the residents, as determined via the Client Developmental Evaluation Report (CDER) process.	4,200,000	Adopted
4. Savings of \$5.1 million (General Fund) were adopted to reflect revised billing rates and the corresponding increase in federal funds for the Sierra Vista and Canyon Springs facilities. Specifically, the DDS can now bill up to \$536 per client per day for Sierra Vista and up to \$590 per client per day for Canyon Springs.	-5,100,000	Adopted
5. Increased by \$748,000 (General Fund) due to the lack of federal certification at Canyon Springs	748,000	Adopted
6. Eliminated the adjustment for the State Compensation Insurance Fund Master Agreement for both headquarters and the state developmental centers.	-419,000	Adopted

Budget Bill Language

1. Requires the DDS and Department of Rehabilitation to prepare a report on the analysis of the Habilitation Services Program rates, consumer eligibility and recommendation for streamlining and consolidating the programs if warranted by the analysis.	Adopted	Adopted
2. Adopted language as proposed by the Administration to provide the DDS with emergency regulation authority to promulgate regulations for implementing proposals to increase federal funding to the state.	Adopted	Adopted

Community Based Services and Regional Centers

1. Rejected the Administration's proposal in January to adopt statewide Purchase of Services (POS) standards for savings of \$52 million (General Fund) and instead, adopted an unallocated reduction and assumed the same savings level. Under this scenario, the DDS and Regional Centers will work with local constituencies to craft a plan to identify areas in which savings levels can be identified and achieved.	-52,000,000	Adopted
2. Adopted increased funds of \$50.2 million (total funds) to improve and expand the Community Placement Plan process.	50,200,000	Adopted
3. Increased federal reimbursements obtained through the Home and Community Based Waiver and approved a fund shift in order to save \$91.5 million in General Fund resources.	-91,500,000	Adopted

	Senate	AB 425
4. Approved the Administration's proposal to extend the time allowed for intake and assessment from 60 days to 120 days for savings of \$4.5 million (General Fund).	-4,500,000	Adopted
5. Agreed to defer local mandate costs as proposed by the Administration for General Fund savings.	-492,000	Adopted
6. Reverted unexpended funds from prior years as proposed by the Administration. This adjustment will not affect the budget year funding level, only past years.	-39,000,000	Adopted
7. Agreed to suspend the Regional Center performance incentives funds as proposed by the Administration.	-4,000,000	Adopted
8. Used federal Title XX Social Services Block Grant funds in lieu of General Fund support as recommended by the Administration. This was simply a fund shift.	-71,000,000	Adopted
9. Adopted the May Revision proposal that assumes South Central Los Angeles Regional Center will obtain approval to be added onto the Home and Community Based Waiver which will increase federal funds by \$11.3 million. This is only a fund shift.	-11,300,000	Adopted
10. Agreed to suspend for one-year, the expenditure of Purchase of Service funds for start-up of any new programs, unless certain concerns are raised (such as health and safety). This action does not affect start-up funding for Community Placement Plan programs which are used to facilitate the transition of individuals into community-settings.	-6,000,000	Adopted
11. Provided an increase of \$17.2 million as proposed in January to recognize increased expenditures attributable to the caseload growth of individuals diagnosed with Autism and the corresponding utilization of intensive services.	17,200,000	Adopted
12. Approved a small fund shift in the Early Start Program whereby \$1.3 million in federal funds was used in lieu of General Fund support. This is only a fund shift.	-1,300,000	Adopted

Trailer Bill Language

1. Provides for an unallocated reduction in the purchase of services item for the Regional Centers.	Adopted	Adopted
2. Crafts language that states the Legislature's intent to provide a significant portion of the federal funds to be received in 2003-04 be used to increase rates for community-based services providers, and other actions related to expanding and improving services and supports.	Adopted	Adopted
3. Codifies the Community Placement Process and the Regional Resource Development Projects.	Adopted	Adopted

	Senate	AB 425
4. Adopts language as proposed by the Administration to extend the time allowed for intake and assessment from 60 days to 120 days for General Fund savings.	Adopted	Adopted
5. Clarifies how the increased funds for rent can also be used to provide salary savings relief for Regional Center staff who provide direct assistance to consumers, such as case managers.	Adopted	Adopted
6. Crafts language to specify that funds appropriated to the RCs for the federal program coordinator position can only be used for that purpose.	Adopted	Adopted
7. Provides one-time only grant funds to conduct resource development activities for hard-to-serve populations including medically and behaviorally challenged individuals with developmental disabilities.	Adopted	Adopted
8. Requires Regional Centers to make all employment contracts available for public review.	Adopted	Adopted

4440 DEPARTMENT OF MENTAL HEALTH

Community-Based Mental Health Services and Related State Support

1. Denied the Administration's proposal to eliminate the valuable Childrens Systems of Care Program. As such, a total of \$35.8 million (\$33.8 million General Fund and \$2 million federal Substance Abuse and Mental Health Services Administration funds) was provided to fund it.	35,800,000	Adopted
2. In January, the Administration proposed deleting \$17 million of the \$21.5 million (General Fund) from the Supportive Housing Program. Due to declining revenues and the likely approval of a housing bond, the remaining \$3.5 million was deleted and used to partially off-set the Childrens Systems of Care Program restoration.	-21,500,000	Adopted
3. Modified the Administration's proposal to reduce by a net total of about \$60 million (decrease of \$35 million General Fund, decrease of \$30 million federal funds, and require the counties to fund about \$5.4 million) the children's Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program. Specifically, the Senate (1) rejected the county-share-of-cost proposal and backfilled with General Fund support, (2) adopted trailer bill language to assist in controlling expenditures, and (3) reduced General Fund support by \$30 million and corresponding federal matching funds. Conference committee concurred with this action.	-60,000,000	Adopted
4. The Senate adopted the Administration's proposal to	-10,000,000	Adopted

	Senate	AB 425
reduce the Adult Integrated Services to Homeless Program by \$10 million (General Fund); however, the Conference Committee restored the reduction. As such, this program is funded at the same level as last year.		
5. Restored \$2 million (General Fund) of the Administration's proposed \$7 million (General Fund) reduction to Adult Systems of Care Pilot Projects. The \$2 million restoration amount was divided between Los Angeles and Stanislaus counties. As such, there is a net reduction of \$5 million (General Fund).	-5,000,000	Adopted
6. The Senate modified the Administration's proposal to reduce by \$64.8 million local mandate relief by retaining \$59.9 million (General Fund) of the amount provided for mental health services to special education pupils. Due to the fiscal situation, Conference Committee agreed to concur with the Administration's deferral of these funds. It should be noted that trailer bill legislation, as contained in AB 2999, clarifies that counties shall be reimbursed for allowable costs for these mental health services.	-4,906,000	-64,800,000
7. Deleted the Administration's request to reappropriate \$300,000 (General Fund) for a new Governor's initiative regarding homelessness.	-300,000	Adopted
8. Agreed with the May Revision to revert \$3.1 million (General Fund) from unexpended funds appropriated in the Budget Act of 2001. This consists of unspent funds of \$625,000 for Dual Diagnosis, \$750,000 for the Institutes for Mental Disease (IMD) project, and \$867,000 for local integrated services.	-3,100,000	Adopted
9. Approved an increase of \$510,000 (federal funds) in the Projects for Assistance in Transition from Homelessness (PATH) Program. Of this amount, \$37,000 is to be used for state support and \$374,000 will be allocated on a statewide basis to the counties.	510,000	Adopted
10. Approved as proposed funds of \$572,000 (federal SAMHSA funds) to perform certain complex data analyses required to maintain federal funds and to provide for assistance in addressing the statewide shortage in health care specialties—focusing on mental health services.	572,000	Adopted
11. Adopted the Administration's May Revision for Mental Health Managed Care which eliminated funding to reflect cost adjustments related to the consumer's price index (CPI) for medical expenses.	-5,563,000	Adopted
12. Approved the May Revision which made an adjustment to provide mental health services to women enrolled in the state's Breast and Cervical Treatment Program.	891,000	Adopted
13. Modified the May Revision for mental health managed	-664,000	Adopted

Senate

AB 425

care to reflect a reduction of 37,000 in the estimated Medi-Cal caseload as recommended by the LAO.

Trailer Bill Language (as contained in AB 442)

1. Provides for the use of managed care principles in the EPSDT program.	Adopted	Adopted
2. Provides for appropriate reimbursement for Telepsychiatry services.	Adopted	Adopted
3. Continues to provide for a supplemental rate for Community Treatment Facilities (CTFs).	Adopted	Adopted
4. Adopts language to enable grants provided under the Supportive Housing Program to be extended through June 30, 2005.	Adopted	Adopted
5. Modifies the program requirements of the Early Mental Health Initiative staffing.	Adopted	Adopted
6. Deletes language which requires an evaluation of the Children's System of Care Program.	Adopted	Adopted

State Hospitals and Related State Support

1. Adopted the May Revision to reduce by 39.5 positions and \$3.1 million (General Fund) to reflect the reduced need for staff due to the slowing in the growth rate of the forensic population in the state hospitals.	-3,100,000	Adopted
2. The Senate denied the request to provide for additional funds for the Sexually Violent Predator Program due to the shortfall in General Fund resources. The Conference Committee restored this request.	-411,000	Adopted
3. Reappropriated \$70,000 for security improvements at Patton State Hospital and \$331.5 million (bond funds) for the Coalinga Sexually Violent Predator facility.	70,000	Adopted
4. The Senate reduced Headquarter state support by \$138,000 (General Fund) and redirected \$120,000 of this amount to backfill for the Administration's proposed reduction to the Client's Rights Program contract. The Conference Committee concurred with the Senate action and identified an additional \$138,000 in vacant positions and eliminated these positions as well. It should be noted that the Client Rights Program contract is funded at the same level as the prior year.	-18,000	-138,000

Senate

AB 425

4700 DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

- | | | |
|---|------------|------------|
| 1. Provided \$875,000 in one-time funding through reimbursements from the Workforce Investment Act Rapid Response funding to provide naturalization services for airport workers. | 875,000 | Adopted |
| 2. Provided \$5,000,000 through reimbursements from the Department of Education from federal English Literacy-Civics funds, to provide naturalization services. | 5,000,000 | Adopted |
| 3. Augmented the General Fund budget for the naturalization services program, using funds from a reduction to the Department of Education state operations budget. | | 900,000 |
| 4. Provided increased federal funding for the Department of Energy Weatherization Services (\$1,900,000) and the Low Income Home Energy Assistance Program (\$21,400,000). | 23,300,000 | 23,200,000 |
| 5. Augmented the Community Services Block Grant budget with \$4,500,000 in new, ongoing federal funds, and \$2,050,000 federal fund carry-over from the current year. | 6,550,000 | Adopted |

Trailer Bill Language

- | | | |
|--|---------|---------|
| 1. Authorizes a one-time distribution in the budget year for new federal Community Services Block Grant funds, proportionately to all recipient agencies in good standing. | Adopted | Adopted |
| 2. Makes a permanent change in Community Services Block Grant distributions to community action agencies and rural community service agencies to phase in a minimum funding level at a percentage of the block grant, using new funds. | Adopted | Adopted |

Supplemental Report Language

- | | | |
|---|---------|---------|
| 1. Requires an updated evaluation of the California Low Income Home Energy Program, including energy savings, by March 1, 2003. | Adopted | Adopted |
|---|---------|---------|

5100 EMPLOYMENT DEVELOPMENT DEPARTMENT

- | | | |
|---|------------|---------|
| 1. Employment Training Program: approved as budgeted. | | |
| 2. Shifted funding and positions to the new Labor and Workforce Development Agency, from the Department and from the California Workforce Investment Board. | -82,000 | Adopted |
| 3. Eliminated proposed GF for new Faith Based Initiative | -4,000,000 | Adopted |

	Senate	AB 425
projects; appropriated funds from already budgeted state-managed Workforce Investment Act programs.		
4. Appropriated \$300,000 from already budgeted state-managed Workforce Investment Act programs for Youthbuild.		
5. Reduced funding for the administration of Unemployment and Benefit Administration programs, using Reed Act funds to pay for such costs.	-34,436,000	Adopted
6. Reduced funding for the administration of Veteran's Program from discretionary Workforce Investment Act funds, and replaced these with Reed Act funds.		1,519,000
7. Provided expenditure authority for Reed Act funds to pay for the administration of Unemployment and Benefit Administration programs, using Reed Act funds to pay for such costs.	34,436,000	Adopted
8. Provided expenditure authority for Reed Act funds for support of the review of the Tax System already undertaken, with funds sufficient to ensure that data collection can be enhanced to meet local and state needs.	500,000	Adopted
9. Provided expenditure authority for Reed Act funds for Job Service and Unemployment Insurance projects, designed to improve the administration of the program, the cost-efficiency of its operation, service levels to employers and benefits for workers.	140,665,000	Adopted
10. Reduced funding for state-managed Workforce Investment Act programs, all federal funds, reflecting a reduction in federal funds available.	-23,108,000	Adopted
11. Increased funding for state-managed Workforce Investment Act programs by redirecting funds from a reduction to the Workforce Investment Board.	138,000	Adopted
12. Reduced funding for local Workforce Investment Act programs, all federal funds, reflecting a reduction in federal funds available.	-39,157,000	Adopted
13. Allocated \$875,000 from already budgeted Rapid Response Workforce Investment Act funding to provide naturalization services for airport workers through interagency agreement with the Department of Community Services and Development.		
14. Adopted May Revision adjustment to Disability Insurance program to reflect benefit and caseload adjustments, from Disability Insurance funds.	295,338,000	Adopted
15. Adopted May Revision adjustment to Unemployment Insurance program to reflect benefit and caseload adjustments, from Unemployment Insurance funds.	1,164,078,000	Adopted
16. Adopted May Revision adjustment to the School Employees Fund for benefit and caseload adjustments,	7,344,000	Adopted

	Senate	AB 425
from School Employees funds.		
17. Reduced the transfer of funds from DSS-CalWORKs for the Intensive Services Program. This reduction was in addition to a \$3,600,000 reduction in January.	-3,624,000	Adopted

Budget Bill Language

1. Requires a report by February 1, 2003, on the costs EDD expects to spend to participate in One-Stop Career Centers at the local level.	Adopted	Adopted
2. Directs that \$875,000 of state level Rapid Response Dislocated Worker funds shall be transferred to the Department of Community Services and Development to provide naturalization and citizenship services to airport workers.	Adopted	Adopted
3. Permits the Agency Secretary to transfer discretionary Workforce Investment Act funds to the California Workforce Investment Board only after notification to the Legislature with the delivery of specified work products.	Adopted	Adopted
4. Schedules expenditure authorization for \$177,120,000 in improvements to the Unemployment Insurance Tax and Benefit administration, from Reed Act distributions.	Adopted	Adopted
5. Requires that the Department utilize a competitive bidding process when selecting grants for the Faith Based Initiative.	Adopted	Adopted

Trailer Bill Language

1. Provides technical clean-up to Unemployment Insurance code sections changed by SB 40.	Adopted	Adopted
2. Eliminates the Job Agent program.	Adopted	Adopted
3. Authorizes the transfer of \$30 million from the Employment Training Fund to the CalWORKs program.	Adopted	Adopted
4. Establishes an Alternate Base Period for determination of establishing Unemployment Benefits.	Adopted	Adopted
5. Establishes an Alternative Trigger for Unemployment Insurance extended benefits.	Adopted	Adopted
6. Requires a stakeholder study of the state's Unemployment Trust Fund to evaluate the merits of the current funding methods compared to a counter-cyclical funding method.	Adopted	Adopted
7. State legislative intent that disability access at one-stop centers be given priority in the expenditure of federal Workforce Investment Act funding.	Adopted	Adopted

	Senate	AB 425
8. Requires a stakeholder group to assess what data should be collected for a statewide One-Stop client tracking system.	Adopted	Adopted

Supplemental Report Language

1. Requires a report by December 31, 2002, on the feasibility of collecting additional data to inform workforce decisions.	Adopted	Adopted
--	---------	---------

5120 CALIFORNIA WORKFORCE INVESTMENT BOARD

1. Shifted funds to the new Labor and Workforce Development Agency, all federal Workforce Investment Act funds.	-42,000	50,000
2. Reduced expenditures for the Board, all federal Workforce Investment Act funds.	-138,000	Adopted

Budget Bill Language

1. States Legislative intent that the board provide a full time project manager for the Performance Based Accountability System, independent of the project's prime contractor.	Adopted	Adopted
2. Allows expenditure of \$1,100,000 of the board's budget only after the board has submitted to the Legislature specific work products.	Adopted	Adopted

5160 DEPARTMENT OF REHABILITATION

1. Adopted May Revision adjustments to the Vocational Rehabilitation program of \$560,000 (\$124,000 General Fund).	560,000	Adopted
2. Increased funding for Vocational Rehabilitation counselors to reestablish vacant positions, using an increase in Social Security Administration federal reimbursement.	2,698,000	2,598,000
3. Adopted May Revision proposal to restore \$4,523,000 (\$3,667,000 General Fund) to the Habilitation Services Program, to adjust for actual proposed efficiencies.	4,523,000	Adopted
4. Adopted May Revision reduction to the Habilitation Services Program to adjust for cost and caseload of \$9,203,000 (\$8,108,000 General Fund).	-9,203,000	Adopted

Senate

AB 425

Budget Bill Language

- | | | |
|---|---------|---------|
| 1. Requires the Departments of Rehabilitation and Developmental Services to provide information about the appropriate placement of Work Activity Programs and Supported Employment Programs. | Adopted | Adopted |
| 2. Requires a report by February 1, 2003, on the costs the Department expects to spend to participate in One-Stop Career Centers at the local level. | Adopted | Adopted |
| 3. Requires provision of information by December 2003 on the state's performance on federal Vocational Rehabilitation performance measures, including the impact of cost efficiencies made in the budget. | Adopted | Adopted |
| 4. Requires a report in 2003 budget hearings on the status of planning and implementation of the provisions of the federal Ticket to Work Act. | Adopted | Adopted |
| 5. Provides for a rollover of non-General Fund resources set aside in the current year for architectural barrier removal projects in state buildings to provide access for the disabled, and a procedure for access to the funds. | Adopted | Adopted |

Trailer Bill Language

- | | | |
|---|---------|---------|
| 1. Adopts a freeze to statutory rate-setting procedures for Work Activity Program services. | Adopted | Adopted |
| 2. Adopts specific changes to Supported Employment programs (increasing group size). | Adopted | Adopted |

5170 STATE INDEPENDENT LIVING COUNCIL

1. Approved as budgeted.

5175 DEPARTMENT OF CHILD SUPPORT SERVICES

- | | | |
|--|----------|---------|
| 1. Augmented by funds shifted from the Franchise Tax Board to establish a California Child Support Automation System Project Leader for \$130,000. | 130,000 | Adopted |
| 2. Redirected \$1,671,000 (\$568,000 General Fund) from legacy information consortia operations to establish six consultant positions to act as consortia project leaders. | Adopted | Adopted |
| 3. Redirected funds within the department from consultant positions (\$706,000) and add staff for internal expertise | -542,000 | Adopted |

	Senate	AB 425
on the California Child Support Automation System Project (\$164,000), for a net savings.		
4. Augmented funding to assure that Child Support State Administrative Hearing services provided by the Department of Social Services and overseen by Department are timely by \$550,000 (\$187,000 GF).	550,000	Adopted
5. Increased funding of \$1,126,000 (\$383,000 General Fund) to contract for an intercept project to intercept personal injury lawsuit awards. Proposal is estimated to generate revenue of \$3,400,000 in the budget year.	1,126,000	Adopted
6. Adopted May Revision reductions for reduced automation costs and other reductions by \$4,044,000 (\$2,311,000 General Fund).	-4,044,000	Adopted
7. Augmented to provide for an estimate of the federal penalty due to the state not implementing a statewide automation child support system.	44,865,000	89,730,000
8. Restored a January reduction in child support revenues transferred to a Foster Parent Training program operated by the Community Colleges.	1,000,000	Adopted
9. Reverted funds from the Budget Act of 2001 for child support administration, based on actual expenditures.	-25,215,000	Adopted

Budget Bill Language

1. Requires a plan for development internal capacity to support the California Child Support Automated System.	Adopted	Adopted
2. Permits augmentation of funds for the California Child Support Automated System, pending signing of a negotiated contract with a vendor.	Adopted	Adopted
3. Authorizes the Department of Child Support Services to augment funds available for state administrative hearings in order to keep statutory timelines.	Adopted	Adopted
4. Prohibits expenditure of funds for the new California Insurance Intercept Project Collections until project plans are approved by appropriate control agencies.	Adopted	Adopted
5. Requires that PRISM project leader consultants be prohibited from contract or subtracting for development or operation of the CCSAS system.	Adopted	Adopted

Trailer Bill Language

1. Suspends funding for improved collections incentives to counties for 2002-03.	Adopted	Adopted
2. Suspends funding for health insurance collection incentives.	Adopted	Adopted

Senate

AB 425

3. Limits the distribution of child support revenues associated with parents of children in foster care to the Foster Parent Training Fund to \$3,000,000.

5180 DEPARTMENT OF SOCIAL SERVICES: CHILDREN'S SERVICES

- | | | |
|---|-------------|-------------|
| 1. Adopted May Revision caseload adjustments for Child Welfare Services, Adoptions, Child Abuse Prevention, Special Programs and Community Care Licensing. | 127,358,358 | 129,765,000 |
| 2. Adopted May Revision proposal to shift Child Welfare Emergency Assistance Case Management activities from TANF funds to federal IV-E, which requires a General Fund match. The net result is a General Fund savings. | -38,409,000 | Adopted |

Budget Bill Language

- | | | |
|--|---------|---------|
| 1. Provides for an advance to independent adoption agencies for services, to offset expected delays in adoptions driven by new federal tax benefits. | Adopted | Adopted |
|--|---------|---------|

Trailer Bill Language

- | | | |
|--|---------|---------|
| 1. Extends the sunset one year for the Internet-Based Foster Care Health and Education Passport pilot project. | Adopted | Adopted |
| 2. Authorizes the use of federal adoption incentive funds for a broader set of activities than post-adoption services. | Adopted | Adopted |
| 3. Provides flexibility to group home providers to adjust their rate structure to live without an increase in 2002-03. | Adopted | Adopted |

Supplemental Report Language

- | | | |
|--|---------|---------|
| 1. Requires the Departments of Social Services and Alcohol and Drug Programs to report by March 1, 2003, on whether state or federal foster care funding could be used to provide board and care services to children in residence with their parent in a substance abuse treatment program. | Adopted | Adopted |
| 2. Requires the Department to make available in the 2003 budget hearings information about adoptions, including the effect of funding reductions. | Adopted | Adopted |

Senate

AB 425

5180 DEPARTMENT OF SOCIAL SERVICES: ADMINISTRATION AND ADULT SERVICES

1. Adopted a May Revision augmentation of \$916,000 to restore some positions removed in January as part of a proposal to streamline school age day care licensing. The proposal still results in a net General Fund savings of \$542,000.	916,000	Adopted
2. Reduce positions in community care licensing to reflect a technical correction to budgeting methodology.	-549,000	Adopted
3. Augmented to extend limited term staff to complete court-ordered activities in Tyler v. Anderson to notify IHSS recipients who might have been improperly denied services.	1,140,000	Adopted
4. Adopted May Revision to adjust funding for the California Food Assistance Program to reflect delayed federal Food Stamp eligibility for some recipients and the continued ineligibility of a small number of recipients.	92,174,000	Adopted
5. Implemented a prospective budgeting/quarterly reporting system for the CalWORKs and food stamps programs for a total net cost of \$15,222,000, (TANF/MOE and GF due to increased benefit costs and decreased administrative costs. The system is also designed to avoid current or future food stamp error rate penalties.	15,222,000	Adopted
6. Adopted May Revision cost and caseload adjustment for SSI/SSP and IHSS.	-22,250,000	Adopted
7. Rejected the May Revision proposed suspension of the pass-through of January 2003 federal COLA adjustment for the SSI/SSP program, estimated at \$54,307,000.		
8. Adopted a state COLA for SSI/SSP, based on statutory amount, to be delayed from January 1, 2003, to June 1, 2003.	22,468,000	Adopted
9. Reverted \$50,000,000 in savings from SSI/SSP, from the Budget Act of 2000.	-50,000,000	Adopted
10. Adopted May Revision caseload adjustments for County Administration and Automation Projects.	-37,746,000	Adopted
11. Adopted one-time funding for SAWS-LEADER application modifications of \$1,202,000 (\$401,000 General Fund).	1,202,000	Adopted
12. Reduced the funding for SAWS-Consortium IV project development by \$20,020,000 (\$5,000,000 General Fund).	-20,020,000	Adopted
13. Reduced consultant funding for SAWS Statewide Project Management.	-807,000	Adopted
14. Reduced consultant funding for the Statewide	-570,000	Adopted

	Senate	AB 425
Fingerprint Imaging System.		
15. Adopted May Revision augmentation for the State share of a \$115,800,000 federal penalty for food stamp errors. The balance is paid by counties, according to current statute.	11,576,000	Adopted
16. Reduced funding for HIPAA, and transferred the remaining balance to a single budget Item 9909, for a net savings of \$1,103,000.	-1,103,000	Adopted
17. Adopted May Revision reduction to Adult Protective Services of \$8,026,000 (\$5,575,000 General Fund).	-8,026,000	Adopted
18. Eliminated the Special Circumstances program.	-4,500,000	Adopted

Budget Bill Language

1. Requires that LEADER funds designated for system enhancements not be encumbered until after control agency approval.	Adopted	Adopted
2. Permits the transfer of resources in the ISAWS consortium from operational funds to those necessary to plan for the migration of participant counties or other SAWS consortia.	Adopted	Adopted
3. Requires that a portion of Welfare Client Data System consortium funds not be encumbered until after control agency approval.	Adopted	Adopted
4. Requires that a portion of the Consortium IV funds not be encumbered until after control agency approval, including the submission of a report on the program impact and system risk after the budget year reductions.	Adopted	Adopted
5. States legislative intent that the Department employ staff with the appropriate expertise to supervise the Continuing Care Contract program.	Adopted	Adopted

Trailer Bill Language

1. Streamlines requirements for licensing school-age child care centers.	Adopted	Adopted	Adopted
2. Reduces annual audit requirements for foster care funding.	Adopted	Adopted	
3. Establishes quarterly or prospective budgeting for the CalWORKs, Food Stamps and CFAP programs.	Adopted	Adopted	
4. Delays the provision of the statutory SSI/SSP state COLA for 2002-03 until June 1, 2003.	Adopted	Adopted	
5. Rejected the May Revision proposal to suspend the statutory trigger for IHSS wage increases.	Adopted	Adopted	

	Senate	AB 425
6. Streamline reporting requirements for Adult Protective Services programs, by counties.	Adopted	Adopted

Supplemental Report Language

1. Requires the Department to report in budget hearings information about efforts to identify additional federal funds for the IHSS program.	Adopted	Adopted
--	---------	---------

5180 DEPARTMENT OF SOCIAL SERVICES: CALWORKS

1. Provided a Cost-of-Living adjustment for CalWORKs assistance recipients, effective June 2003 (rather than October 2002).	12,515,000	Adopted
2. Reduced the May Revision proposal to reduce CalWORKs County Administration by \$71,844,000, by restoring \$21,109,000. The reduction is in addition to the January withholding of a cost-of-doing-business.		-50,775,000
3. Redirected \$100,000 from the CalWORKs program for Mental Health and Substance Abuse treatment to develop a replicable outcome system for these services.	Adopted	Adopted
4. Reduced the transfer of TANF funds to EDD for the Intensive Services Program.	-3,624,000	Adopted
5. Recaptured unspent county performance incentives in the amount of \$599,844,000, retained \$169,156,000 to fund CalWORKs and an additional \$128,000,000 to fund a one-time equity adjustment to county employment services, and appropriated the remaining \$302,844,000 to counties for use as incentive funds: (TANF/MOE funds). The equity fund is intended to be increased to \$145,000,000 by redirecting unspent current year CalWORKs funds.	Adopted	Adopted
6. Reinstate requirements to deem the income of the parents of minor parents living at home and receiving CalWORKs aid as available to the minor parent for purposes of determining eligibility and grant size.	-12,043,000	Adopted
7. Adopt May Revision caseload and cost adjustment for CalWORKS services, administration, child care and probation; foster care and Adoption Assistance; Refugee Cash Assistance, and the California Food Assistance Program.	-131,426,000	Adopted

Senate**AB 425***Budget Bill Language*

- | | | |
|--|---------|---------|
| 1. Requires the Department to survey counties to determine CalWORKs expenditures in One-Stop Career Centers. | Adopted | Adopted |
| 2. Redirects funds from the allocation for mental health and substance abuse treatment for CalWORKs participants, to develop a replicable performance outcome system. | Adopted | Adopted |
| 3. Assures that county costs are not affected by the shift of Emergency Assistance-Case Management costs from TANF funding to federal child welfare and state General Fund. | Adopted | Adopted |
| 4. Reappropriates county performance incentives to counties, including provision for the redirection of incentive funds to basic CalWORKs costs and to a one-time equity adjustment to counties. | Adopted | Adopted |

Trailer Bill Language

- | | | |
|---|---------|---------|
| 1. Requires the Department to convene a working group to propose CalWORKs changes necessary to meet new federal TANF requirements. | Adopted | Adopted |
| 2. Provides authority to recapture county performance incentives and appropriate based on expected expenditures in the budget year. | Adopted | Adopted |
| 3. Eliminates authority for retroactive CalWORKs Stage I child care payments beyond 30 days after preparation of a participant's work plan. | Adopted | Adopted |
| 4. Reinstates requirements to deem the income of the parents of minor parents living at home and receiving CalWORKs aid as available to the minor parent for purposes of determining eligibility and grant size | Adopted | Adopted |
| 5. Delays the provision of the statutory COLA for 02-03 until June 1, 2003. | Adopted | Adopted |
| 6. Eliminates the state share of incentives for fraud activities by counties, maintaining the federal fund share. | Adopted | Adopted |
| 7. Establishes a pilot program to permit counties to move some of their allocated mental health and substance abuse treatment funds outside CalWORKs and use them to claim federal Medicaid matching funds, subject to review by the Department and a report to 2003 budget committees. | Adopted | Adopted |

Supplemental Report Language

- | | | |
|---|--|--|
| 1. Requires the Department to provide a report on the status of implementing an automated phone system for the Department's toll-free number. | | |
|---|--|--|

	Senate	AB 425
8350 DEPARTMENT OF INDUSTRIAL RELATIONS		
1. Authorized extending a GF loan for the amusement ride safety and garment manufacturers regulation programs, consistent with May Revision.	Adopted	Adopted
2. Deferred payment on the following mandates: Firefighters' Cancer Presumption, Peace Officers' Cancer Presumption, consistent with May Revision.		
3. Redirected funding for positions to the Labor and Workforce Development Agency.	168,000 -1,200,000	Adopted Adopted
4. Deleted funding for workers' compensation studies, consistent with May Revision.	-404,000	Adopted
5. Eliminated the Loss Control Certification Program, consistent with May Revision and pursuant to provisions of AB 749 (Calderon).	1,000,000	Adopted
6. Funded fraud prevention programs, consistent with AB 749 (contract funds).	670,000	Adopted
7. Funded first-year cost of studies mandated by AB 749.		
8. Increased funding at Division of Workers' Compensation to implement AB 749.	4,600,000	Adopted
9. Funded training grants and staff, consistent with AB 749.	588,000	Adopted
10. Redirected existing staff into high-priority enforcement.	-496,000	Adopted
11. Authorized transfers of funds to the General Fund.	2,000,000	Adopted
12. Reduced GF funding for the Division of Apprenticeship Standards and increased special fund appropriation by an offsetting amount.	Adopted	Adopted
13. Reduced case management implementation costs.	Adopted	Adopted
14. Increased funding for training.	Adopted	Adopted

Budget Bill Language

1. Requires the state to increase the minimum wage annually for the effects of inflation, beginning January 1, 2003 (Labor Code Section 1182.10).	Adopted	Adopted
2. Requires the case management system to be accessible to the public, consistent with federal practices.	Adopted	Adopted
3. Authorizes various special fund transfers to the General Fund.	Adopted	Adopted

Supplemental Report Language

1. Requires the department to report on its redirections of staff to enforcement activities.	Adopted	Adopted
--	---------	---------

Senate

AB 425

8450 WORKERS' COMPENSATION BENEFIT PROGRAM

- | | | |
|--|-----------|---------|
| 1. Reduced GF appropriation for program and increased special fund appropriation (\$2 million gain to the GF). | 2,000,000 | Adopted |
|--|-----------|---------|

8955-8966 DEPARTMENT OF VETERANS AFFAIRS AND VETERANS' HOMES OF CA

- | | | |
|--|------------|---------|
| 1. Increased insurance payments at Barstow home, consistent with May Revision. | 25,000 | Adopted |
| 2. Reduced GF at the homes to account for caseload and increased USDVA reimbursements, consistent with May Revision. | Adopted | Adopted |
| 3. Approved Lincoln Theater improvements, consistent with May Revision (bond funds). | 15,590,000 | Adopted |
| 4. Reduced GF for homes on the assumption that the homes will collect more reimbursement. | -1,500,000 | Adopted |

Budget Bill Language

- | | | |
|---|---------|---------|
| 1. Revises the cash flow loan conditions in the budget. The revised language requires more notification of the Legislation. | Adopted | Adopted |
| 2. Requires the Department of Finance to conduct an audit of DVA's internal control system. | Adopted | Adopted |
| 3. Authorizes the department to secure federal money for capital projects. | Adopted | Adopted |

Supplemental Report Language

- | | | |
|--|---------|---------|
| 1. Requires the department to report on cash flow throughout the year. | Adopted | Adopted |
| 2. Requires the department to report on its management of lags in collections. | Adopted | Adopted |